Tax on ATF

2954. SHRI ABU ASIM AZMI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Central Government has asked the State Governments to lower the tax rates on Air Turbine Fuel (ATF) to make the air travel cheaper;

(b) if so, the details thereof; and

(c) the response received by the Central Government from the State Governments, particularly Uttar Pradesh Government?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) State Governments have been requested to consider moderation of the rate of sales tax imposed on Aviation Turbine Fuel (ATF) and align it with the 'Declared Goods' rate of 4%. Empowered Committee of State Finance Ministers were also requested to consider moderation of the rate of sales tax imposed on ATF and reduce it to the 'Declared Goods' rate of 4%. The matter of ATF was also discussed in the national conference on Civil Aviation held on 18.01.2008 at New Delhi with the representatives of all State Governments and Union Territories. Based on the deliberations held in the Conference, a group of officers has been constituted with a view to presenting the ATF taxation issues to the Empowered Committee of State Finance Ministers as well as the Ministry of Finance.

(c) Governments of Andhra Pradesh and Kerala have since reduced the sales tax on ATF to 4%. Government of Rajasthan has also reduced the sales tax on ATF to 4% in case of the following:—

1. Airlines which establish a 'HUB' in the State.
2. Registered Flying clubs for their training flights; and
3. Airlines which for the first time connect cities of the State having no air service, the exemption whould be limited to such flights only.

Government of Maharashtra has also announced reduction of Sales tax on ATF from 25% to 4% for flights from airports other than Pune and Mumbai.

There is no response received from Government of Uttar Pradesh.

Use of old aircrafts

2955. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that most international airlines use their old aircrafts on their India routes;

(b) if so, the names of such airlines and the age of their aircrafts separately in each case; and

(c) what is Government's policy to ensure that new aircrafts only are used by these airlines which are making huge profits on India sector?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Aircraft of foreign airlines operating into India are governed and maintained by the airworthiness regulations of their respective countries.

(c) There is no policy/guidelines in this regard.